



NEWS RELEASE

CALIFORNIA STATE TREASURER PHILIP ANGELIDES

FOR IMMEDIATE RELEASE

October 13, 1999

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**STATEMENT FROM STATE TREASURER AND ATTORNEY GENERAL
REGARDING VETO OF AB 1511 (FLOREZ)**

During the past several months, the Treasurer and Attorney General have been active, and ultimately successful, in joint litigation bringing to a halt a questionable local bond deal. In the deal, the cities of Waterford and San Joaquin, through the Rancho Lucerne Joint Powers Authority, sought to issue \$15 million in public bonds to build a golf course development over 300 miles away in San Bernardino County.

Existing law requires a geographical nexus between agencies issuing bonds and the projects being financed. In the bond deal successfully halted by the State Treasurer and Attorney General's legal action, Waterford and San Joaquin entered into a Joint Powers Agreement with a mutual water company formed by the project developer. Assembly Bill 1511 would have merely clarified existing law by stating that mutual water companies that enter into joint powers agreements with local agencies are not considered members of the authority for purposes of satisfying the geographic nexus requirement.

The following is a joint statement from State Treasurer Philip Angelides and Attorney General Bill Lockyer regarding the veto of AB 1511 (Florez):

“This bill would merely have provided useful clarification to guard against potential bond abuses. We will continue to work together to enforce existing law and assure that abuses are halted. We will remain active in our efforts to work with the Governor and the Legislature to protect the public finance markets.”

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